

CHAPTER 1230

APPROPRIATIONS — ECONOMIC DEVELOPMENT

S.F. 2428

AN ACT appropriating funds to the department of economic development, certain board of regents institutions, the department of workforce development, the public employment relations board, making related statutory changes, and providing an effective date.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is appropriated from the general fund of the state and other designated funds to the department of economic development for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. ADMINISTRATIVE SERVICES DIVISION

a. General administration

For salaries, support, maintenance, miscellaneous purposes, for allocating \$250,000 to the world food prize, and for providing that a business receiving moneys from the department for the purpose of job creation shall make available ten percent of the new jobs created for promise jobs program participants who are qualified for the jobs created, and for not more than the following full-time equivalent positions:

.....	\$	1,720,213
.....	FTEs	25.75

b. Film office

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	257,625
.....	FTEs	2.00

c. Iowa commission on volunteerism

For transferring to the Iowa state commission grant program to be used as matching funds for salaries, support, maintenance, and miscellaneous purposes:

.....	\$	80,000
.....	FTEs	3.25

2. BUSINESS DEVELOPMENT DIVISION

a. Business development operations

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	4,810,534
.....	FTEs	27.75

Of the amount appropriated in this paragraph "a", \$672,000 shall be allocated to support activities in conjunction with the Iowa manufacturing technology center, and \$100,000 shall be allocated to the graphic arts center.

The department shall consult and work with the small business development centers in an effort to eliminate any duplication of services provided by the department and the small business development centers and to determine how to deliver services to small businesses in the state in the most efficient manner. The department, in consultation with the small business development centers, shall develop a written report identifying and distinguishing the distinct services to be provided by the department and the small business development centers and recommend actions which would eliminate any duplication of services. By December 1, 2000, the written report shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on economic development.

For the fiscal year beginning July 1, 2000, and ending June 30, 2001, the department shall allocate \$100,000 from the moneys appropriated under this subsection for the federal procurement office.

* Item veto; see message at end of the Act

b. Workforce recruitment initiative

For workforce recruitment initiative purposes, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	393,217
.....	FTEs	2.00

c. Strategic investment fund

For deposit in the Iowa strategic investment fund for salaries, support, and for not more than the following full-time equivalent positions:

.....	\$	3,700,000
.....	FTEs	12.50

For the fiscal year beginning July 1, 2000, and ending June 30, 2001, the Iowa economic development board shall allocate from the Iowa strategic investment fund at least \$3,000,000 to the value-added agricultural products and processes financial assistance fund created in section 15E.112.

The department may allocate from the Iowa strategic investment fund up to \$96,000 for the microbusiness rural enterprise assistance program under section 15.114.

By January 14, 2001, the department shall submit a written report to the members of the joint appropriations subcommittee on economic development and the legislative fiscal bureau on the progress made by the department in making the community economic betterment program a self-sustaining, revolving loan program. The report shall include information regarding the department's progress in making the community economic betterment program self-sufficient and projections and plans for continuing to make the program self-sufficient over the subsequent five years.

d. Insurance economic development

There is appropriated from moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, to the department for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:

.....	\$	100,000
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e. Value-added agriculture

There is appropriated from the moneys available to support value-added agricultural products and processes, 6 percent, or so much thereof as is necessary, for administration of the value-added agricultural products and processes financial assistance program as provided in section 15E.111, including salaries, support, maintenance, miscellaneous purposes, and for not more than 3.00 FTEs.

The department shall collaborate with the university of northern Iowa on a strategic initiative to develop ag-based industrial lubrication technology and to create projects to deploy the technology in commercial applications. Notwithstanding the requirements of section 15E.111 and the administrative rules for value-added agricultural products and processes, the department shall allocate \$275,000 for this initiative.

3. COMMUNITY DEVELOPMENT DIVISION

a. Community assistance

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions for administration of the community economic preparedness program, the Iowa community betterment program, and the city development board:

.....	\$	855,031
.....	FTEs	10.50

b. Main street/rural main street program

For salaries and support for not more than the following full-time equivalent positions:

.....	\$	427,698
.....	FTEs	3.00

Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state that remain unexpended on June 30, 2001, shall not revert to any

fund but shall remain available for expenditure for purposes of the contract during the fiscal year beginning July 1, 2001.

c. Community development program

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions, for rural resource coordination, rural community leadership, rural innovations grant program, and the rural enterprise fund:

.....	\$	958,440
.....	FTEs	7.50

There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to provide to Iowa's councils of governments funds for planning and technical assistance to local governments:

.....	\$	150,000
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There is appropriated from the rural community 2000 program revolving fund established in section 15.287 to the rural development program for the purposes of the program including the rural enterprise fund and collaborative skills development training:

.....	\$	370,000
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Notwithstanding section 8.33, moneys committed to grantees under contract from the general fund of the state or through transfers from the Iowa community development loan fund or from the rural community 2000 program revolving fund that remain unexpended on June 30, 2001, shall not revert but shall be available for expenditure for purposes of the contract during the fiscal year beginning July 1, 2001.

d. Community development block grant and HOME

For administration and related federal housing and urban development grant administration for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	406,000
.....	FTEs	21.75

e. Housing development and shelter assistance funds

For providing technical assistance to communities of all sizes and local financial institutions to help meet local housing needs, and to provide \$400,000 to the shelter assistance fund, and for not more than the following full-time equivalent positions:

.....	\$	500,000
.....	FTEs	2.00

Notwithstanding section 8.33, moneys committed to grantees under contract from the housing development fund and moneys transferred for matching funds for the HOME program that remain unexpended or unobligated on June 30, 2001, shall not revert to any fund but shall remain available for obligation and expenditure for purposes of those programs during the fiscal year beginning July 1, 2001.

4. INTERNATIONAL DIVISION

a. International trade operations

For salaries, support, maintenance, miscellaneous purposes, for support of foreign representation and trade offices, and the agricultural product advisory council, and for not more than the following full-time equivalent positions:

.....	\$	2,309,569
.....	FTEs	14.25

Of the moneys appropriated in this lettered paragraph, \$250,000 shall be allocated to support the taste of Iowa program.

From among the full-time equivalent positions authorized by this lettered paragraph, one position shall concentrate on the export sale of grain, one on the export sale of livestock, and one on the export sale of value-added agricultural products.

b. Export trade assistance program

For export trade activities, including a program to encourage and increase participation in trade shows and trade missions by providing financial assistance to businesses for a percentage of their costs of participating in trade shows and trade missions, by providing for the lease/sublease of showcase space in existing world trade centers, by providing

temporary office space for foreign buyers, international prospects, and potential reverse investors, and by providing other promotional and assistance activities, including salaries and support:

..... \$ 408,000

Notwithstanding section 8.33, moneys appropriated in this lettered paragraph that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

c. For the partner state program to contract with private groups or organizations which are the most appropriate to administer this program and the groups and organizations participating in the program shall, to the fullest extent possible, provide the funds to match the appropriation made in this paragraph:

..... \$ 120,000

5. TOURISM DIVISION

Tourism operations and advertising

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 4,940,413

..... FTEs 18.52

Any state-owned interstate welcome center located in suitable, year-round facilities shall be operated on a year-round basis.

The department shall not use the moneys appropriated in this subsection, unless the department develops public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts. The department shall, to the fullest extent possible, develop cooperative efforts for advertising with contributions from other sources.

Sec. 2. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding section 15E.120, subsections 5, 6, and 7, and section 15.287, there is appropriated from the Iowa community development loan fund all the moneys available during the fiscal year beginning July 1, 2000, and ending June 30, 2001, to the department of economic development for the community development program to be used by the department for the purposes of the program.

Sec. 3. JOB TRAINING FUND. Notwithstanding section 15.251, subsection 2, there is appropriated from the job training fund to the department of workforce development for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

1. For the target alliance program:

..... \$ 30,000

2. After the appropriation in subsection 1 relating to the target alliance program, all remaining moneys in the job training fund, including any moneys appropriated or credited to the fund during the fiscal year, shall be transferred to the workforce development fund established pursuant to section 15.343.

Sec. 4. WORKFORCE DEVELOPMENT FUND. There is appropriated from the workforce development fund account created in section 15.342A, to the workforce development fund created in section 15.343, for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount, for the purposes of the workforce development fund, and for not more than the following full-time equivalent positions:

..... \$ 8,000,000

..... FTEs 4.00

Sec. 5. From funds appropriated or transferred to or receipts credited to the workforce development fund created in section 15.343, up to \$400,000 for the fiscal year beginning July 1, 2000, and ending June 30, 2001, may be used for the administration of workforce develop-

ment activities including salaries, support, maintenance, and miscellaneous purposes and for not more than 4.00 FTEs.

Sec. 6. IOWA STATE UNIVERSITY. There is appropriated from the general fund of the state to the Iowa state university of science and technology for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For funding and maintaining in their current locations the existing small business development centers, and for not more than the following full-time equivalent positions:

.....	\$	1,211,869
.....	FTEs	5.80

2. For the Iowa state university of science and technology research park, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	377,109
.....	FTEs	4.31

3. For funding the institute for physical research and technology, provided that \$306,000 shall be allocated to the industrial incentive program and for not more than the following full-time equivalent positions:

.....	\$	4,406,995
.....	FTEs	46.42

It is the intent of the general assembly that the industrial incentive program focus on Iowa industrial sectors and seek contributions and in-kind donations from businesses, industrial foundations, and trade associations and that moneys for the institute for physical research and technology industrial incentive program shall only be allocated for projects which are matched by private sector moneys for directed contract research or for nondirected research. The match required of small businesses as defined in section 15.102, subsection 4, for directed contract research or for nondirected research shall be \$1 for each \$3 of state funds. The match required for other businesses for directed contract research or for nondirected research shall be \$1 for each \$1 of state funds. The match required of industrial foundations or trade associations shall be \$1 for each \$1 of state funds.

Iowa state university of science and technology shall report annually to the joint appropriations subcommittee on economic development and legislative fiscal bureau the total amounts of private contributions, the proportion of contributions from small businesses and other businesses, and the proportion for directed contract research and nondirected research of benefit to Iowa businesses and industrial sectors.

Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 7. UNIVERSITY OF IOWA. There is appropriated from the general fund of the state to the state university of Iowa for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the university of Iowa research park, including salaries, support, maintenance, equipment, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	336,669
.....	FTEs	2.15

2. For funding the advanced drug development program at the Oakdale research park, and for not more than the following full-time equivalent positions:

.....	\$	271,770
.....	FTEs	3.50

The board of regents shall submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development to the secretary of the senate, the chief clerk of the house of representatives, and the legislative fiscal bureau by January 15, 2001.

Sec. 8. UNIVERSITY OF NORTHERN IOWA. There is appropriated from the general fund of the state to the university of northern Iowa for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the metal casting institute, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	172,356
.....	FTEs	2.60
2. For the institute of decision making, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	741,439
.....	FTEs	9.00

Sec. 9. ACCELERATED CAREER EDUCATION GRANT PROGRAM. If Senate Study Bill 3187¹ is enacted by the Seventy-eighth General Assembly, 2000 Session, there is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the accelerated career education grant program, including salaries, support, maintenance, miscellaneous purposes:

.....	\$	250,000
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Sec. 10. DEPARTMENT OF WORKFORCE DEVELOPMENT. There is appropriated from the general fund of the state, to the department of workforce development for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF LABOR SERVICES

For the division of labor services, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	3,429,686
.....	FTEs	92.00

From the contractor registration fees, the division of labor services shall reimburse the department of inspections and appeals for all costs associated with hearings under chapter 91C, relating to contractor registration.

2. DIVISION OF WORKERS' COMPENSATION

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	2,333,263
.....	FTEs	35.00

The division of workers' compensation shall continue charging a \$65 filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim. However, the fee can be taxed as a cost and paid by the losing party, except in cases where it would impose an undue hardship or be unjust under the circumstances.

3. WORKFORCE DEVELOPMENT STATE AND REGIONAL BOARDS

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent position for the workforce development state and regional boards:

.....	\$	105,632
.....	FTE	1.00

¹ Enacted as Senate File 2439, which is chapter 1196 herein

4. LABOR MARKET INFORMATION

For salaries, support, maintenance, miscellaneous purposes for collection of labor market information, and for not more than the following full-time equivalent position:

.....	\$	66,155
.....	FTE	1.20

It is the intent of the general assembly that, by July 1, 2001, the department of workforce development assume the responsibility for conducting the labor shed survey analysis currently conducted by the institute for decision making. By July 1, 2001, the department of workforce development shall produce labor market information that meet the requirements of the department of workforce development, the department of economic development, and the federal department of labor.

5. WELFARE-TO-WORK MATCHING FUNDS

For matching funds for welfare-to-work grants authorized through the United States department of labor to provide additional services for the hardest to employ recipients of family investment program benefits and for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	153,000
.....	FTEs	3.55

Notwithstanding section 8.33, moneys appropriated in this subsection which remain unexpended or unobligated on June 30, 2001, shall not revert to the general fund of the state but shall remain available for expenditure for the same purpose during the fiscal year beginning July 1, 2001.

6. LABOR MANAGEMENT COORDINATOR

For salaries, support, maintenance, and miscellaneous purposes for a labor management coordinator:

.....	\$	68,999
.....	FTEs	0.50

7. NEW EMPLOYMENT OPPORTUNITY FUND

For salaries, support, maintenance, and miscellaneous purposes, and for not more than the following full-time equivalent positions for the new employment opportunity program established in section 84A.10:

.....	\$	500,000
.....	FTEs	1.79

Sec. 11. ADMINISTRATIVE CONTRIBUTION SURCHARGE FUND. There is appropriated from the administrative contribution surcharge fund of the state to the department of workforce development for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amounts, or so much thereof as is necessary, for the purposes designated:

WORKFORCE DEVELOPMENT CENTERS

Notwithstanding section 96.7, subsection 12, paragraph "c", for salaries, support, maintenance, conducting labor availability surveys, miscellaneous purposes, for workforce development regional advisory board member expenses, and for not more than the following full-time equivalent positions:

.....	\$	7,500,000
.....	FTEs	124.97

In addition to moneys appropriated by this section, notwithstanding section 96.7, subsection 12, paragraph "c", for the fiscal year beginning July 1, 2000, there is appropriated from the administrative contribution surcharge fund of the state to the department of workforce development \$700,000, or so much thereof as is necessary, for matching funds for welfare-to-work grants authorized through the United States department of labor.

Any amount of moneys up through June 30, 2001, in the administrative contribution surcharge fund in excess of the moneys otherwise appropriated in this section, is appropriated to and may be used by the department of workforce development for the purposes set out in this section.

Sec. 12. EMPLOYMENT SECURITY CONTINGENCY FUND. There is appropriated from the special employment security contingency fund to the department of workforce development for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amounts, or so much thereof as is necessary, for the purposes designated:

1. DIVISION OF WORKERS' COMPENSATION

For salaries, support, maintenance, and miscellaneous purposes:

..... \$ 471,000

2. IMMIGRATION SERVICE CENTERS

For salaries, support, maintenance, and miscellaneous purposes for the establishment of pilot immigration service centers:

..... \$ 160,000

The department of workforce development shall establish pilot immigration service centers that offer one-stop services to deal with the multiple issues related to immigration and employment. The pilot centers shall be designed to support workers, businesses, and communities with information, referrals, job placement assistance, translation, language training, resettlement, as well as technical and legal assistance on such issues as forms and documentation. Through the coordination of local, state, and federal service providers, and through the development of partnerships with public, private, and nonprofit entities with established records of international service, these pilot centers shall seek to provide a seamless service delivery system for new Iowans.

3. LABOR SURVEY PROGRAMS

To upgrade labor survey computer program applications to incorporate labor shed information and to contract with the institute for decision making at the university of northern Iowa for labor shed training:

..... \$ 190,000

4. ACCOUNTING SYSTEM REENGINEERING

For continuation of the accounting system reengineering project:

..... \$ 200,000

5. UNEMPLOYMENT INSURANCE SERVICE CENTER

To assist in the cost of the toll-free number for processing initial and continuing unemployment compensation claims at the unemployment insurance service center:

..... \$ 150,000

Any additional penalty and interest revenue may be used to accomplish the mission of the department upon notification of the use to the chairpersons and ranking members of the joint appropriations subcommittee on economic development, the department of management, and the legislative fiscal bureau. **However, the department shall not allocate any additional penalty and interest revenue prior to January 30, 2001.** If department projections indicate the special employment security contingency fund revenues will be insufficient to fund all appropriations under this section, the department shall fully fund subsections 1 through 4 before fully funding the appropriation under subsection 5.

Sec. 13. PUBLIC EMPLOYMENT RELATIONS BOARD. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount, or so much thereof as is necessary, for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 886,981
 FTEs 12.80

Sec. 14. Section 15.313, subsection 2, Code Supplement 1999, is amended by adding the following new paragraph:

NEW PARAGRAPH. i. The value-added agricultural products and processes financial assistance fund created in section 15E.112.

* Item veto; see message at end of the Act

Sec. 15. Section 15.342A, Code Supplement 1999, is amended to read as follows:

15.342A WORKFORCE DEVELOPMENT FUND ACCOUNT.

A workforce development fund account is established in the office of the treasurer of state under the control of the department. The account shall receive funds pursuant to section 422.16A up to a maximum of ~~ten~~ eight million dollars per year. The account shall also receive funds pursuant to section 15.251 with no dollar limitation.

Sec. 16. Section 15.343, subsection 3, Code Supplement 1999, is amended to read as follows:

3. a. The director shall submit not later than January 1 of each year at a regular or special meeting, for approval by the economic development board, the proposed allocation of funds from the workforce development fund to be made for the next fiscal year for the programs and purposes contained in subsection 2. The director shall also submit a copy of the proposed allocation to the chairpersons of the joint economic development appropriations subcommittee of the general assembly. Notwithstanding section 8.39, the plan may provide for increased or decreased allocations if the demand for a program indicates that the need is greater or lesser than the allocation for that program. The director shall report on a quarterly basis to the board on the status of the funds and may present proposed revisions for approval by the board in January and April of each year. The director shall also provide quarterly reports to the legislative fiscal bureau on the status of the funds. Unobligated and unencumbered moneys remaining in the workforce development fund or any of its accounts on June 30 of each year shall be considered part of the fund for purposes of the next year's allocation.

b. The first seven million dollars deposited in the workforce development fund shall be used for purposes provided in subsection 2, paragraph "b".

Sec. 17. Section 15E.112, subsection 1, Code 1997, as amended by 1997 Iowa Acts, chapter 207, section 6, is amended to read as follows:

1. A value-added agricultural products and processes financial assistance fund is created within the state treasury under the control of the department. ~~Three million six hundred fifty thousand dollars is appropriated from the general fund of the state to the fund each fiscal year.~~ The fund shall consist of moneys allocated from the Iowa strategic investment fund created in section 15.313, those appropriated moneys, and any other moneys available to and obtained or accepted by the department from the federal government or private sources for placement in the fund. The assets of the fund shall be used by the department only for carrying out the purposes of section 15E.111.

Sec. 18. Section 15E.112, Code 1999, is amended by adding the following new subsection:

NEW SUBSECTION. 5. Four hundred thousand dollars is appropriated from the value-added agricultural products and processes financial assistance fund to the office of renewable fuels and coproducts created in section 159A.3 each fiscal year for deposit in the renewable fuels and coproducts fund created in section 159A.7.

*Sec. 19. Section 15E.175, subsection 2, paragraph b, Code 1999, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (4) To provide funding for program capital costs under the accelerated career education program as defined in section 260G.2.*

Sec. 20. NEW SECTION. 84A.10 NEW EMPLOYMENT OPPORTUNITY PROGRAM.

The department of workforce development shall implement and administer a new employment opportunity program to assist individuals in underutilized segments of Iowa's workforce, including but not limited to the persons with physical or mental disabilities, persons convicted of a crime, or minority persons between the ages of 12 and 25, to gain and retain employment. The program shall be designed to complement existing employment and training programs by providing additional flexibility and services that are often needed by

individuals in underutilized segments of the workforce to gain and retain employment. Services provided under the program may include, but are not limited to, transportation costs, child care, health care, health care insurance, on-the-job training, career interest inventory assessments, employability skills assessment, short-term basic education, internships, mentoring, assisting businesses with compliance issues related to the federal Americans with Disabilities Act of 1990, and reducing perceived risks that cause these populations to be underutilized. The department shall adopt rules pursuant to chapter 17A to administer the program, including rules relating to eligibility criteria, eligible populations, and services to implement the intent of this section.

Sec. 21. Section 159A.7, subsection 1, unnumbered paragraph 1, Code 1997, as amended by 1997 Iowa Acts, chapter 207, section 7, is amended to read as follows:

A renewable fuels and coproducts fund is created in the state treasury under the control of the office of renewable fuels and coproducts. ~~Three hundred fifty thousand dollars is appropriated from the general fund of the state to the fund each fiscal year.~~ The fund may also include other moneys available to and obtained or accepted by the office, including moneys from the United States, other states in the union, foreign nations, state agencies, political subdivisions, and private sources.

Sec. 22. Section 159A.7, Code 1999, is amended by adding the following new subsection: NEW SUBSECTION. 7. Moneys appropriated pursuant to section 15E.112 shall be deposited in the fund. Not more than fifteen percent of the moneys appropriated pursuant to section 15E.112 may be used by the department for administration of the office.

Sec. 23. Section 422.16A, Code 1999, is amended to read as follows:

422.16A JOB TRAINING WITHHOLDING — CERTIFICATION AND TRANSFER.

Upon the completion by a business of its repayment obligation for a training project funded under chapter 260E, including a job training project funded under section 15A.8 or repaid in whole or in part by the supplemental new jobs credit from withholding under section 15A.7 or section 15.331, the sponsoring community college shall report to the department of economic development the amount of withholding paid by the business to the community college during the final twelve months of withholding payments. The department of economic development shall notify the department of revenue and finance of that amount. The department shall credit to the workforce development fund account established in section 15.342A twenty-five percent of that amount each quarter for a period of ten years. If the amount of withholding from the business or employer is insufficient, the department shall prorate the quarterly amount credited to the workforce development fund account. The maximum amount from all employers which shall be transferred to the workforce development fund account in any year is ~~ten~~ eight million dollars.

Sec. 24. **IMMIGRATION.** The department of economic development and the department of workforce development shall collaborate efforts in delivering immigration services in Iowa.

Sec. 25. **NONREVERSION OF TECHNOLOGY INITIATIVES ACCOUNT MONEYS.** Notwithstanding section 8.33, moneys appropriated and allocated to the department of economic development in 1999 Iowa Acts, chapter 207, section 5, subsection 3, paragraph "i", subparagraph (1), relating to the business licensure center, that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 26. **OFFICE SUPPLIES.** When the department of economic development, the department of workforce development, and the public employment relations board make adjustments to program budgets for the fiscal year beginning July 1, 2000, and ending June 30, 2001, based on reduced appropriation levels, it is the intent of the general assembly that the

departments and board first examine and find appropriate reductions in expenditures for office supplies and other supplies before making adjustments to program budgets.

**Sec. 27. STUDIES.*

1. *The information technology services division of the department of general services shall study the workforce investment one-stop program of the department of workforce development to identify stakeholder entities and determine the feasibility of expanding the one-stop program concept to multiple departmental programs. By January 15, 2001, the division shall submit a report on the division's findings to the department of management, the legislative fiscal bureau, and the chairpersons and ranking members of the joint appropriations subcommittee on economic development.*

2. *By August 10, 2000, the department of workforce development shall submit a written report relating to the funding of workforce development centers to the department of management, the legislative fiscal bureau, and the chairpersons and ranking members of the joint appropriations subcommittee on economic development. The report shall include the plan of the department for financing the state's system of workforce development centers after the administrative contribution surcharge is repealed pursuant to section 96.7, subsection 12, paragraph "d". The plan shall not include a continuation of the administrative contribution surcharge.**

Sec. 28. Notwithstanding the requirements of section 16.10, subsections 1 and 2, the Iowa finance authority shall, for the fiscal year beginning July 1, 2000, transfer \$1,200,000 to the department of economic development for deposit in the community development block grant account to be used as state matching funds for the federal HOME program.

Sec. 29. SHELTER ASSISTANCE FUND. In providing moneys from the shelter assistance fund to homeless shelter programs in the fiscal year beginning July 1, 2000, the department of economic development shall explore the potential of allocating moneys to homeless shelter programs based in part on their ability to move their clients toward self-sufficiency.

Sec. 30. BUDGET PROPOSALS. The department of economic development and the department of workforce development shall submit all budget proposals in the traditional format as well as in the budgeting for results format for the fiscal year beginning July 1, 2001.

Sec. 31. By December 31 of each year, the ISCC liquidation corporation² shall submit an annual written report to the chairpersons and the ranking members of the joint appropriations subcommittee on economic development. The report shall include an update on the financial condition of the corporation relating to the status of any moneys, assets, or contracts currently being held by the corporation or transferred by the corporation during the prior year.

Sec. 32. FEDERAL GRANTS. All federal grants to and the federal receipts of agencies appropriated funds under this Act, not otherwise appropriated, are appropriated for the purposes set forth in the federal grants or receipts unless otherwise provided by the general assembly.

Sec. 33. Notwithstanding section 96.9, subsection 4, paragraph "a", moneys credited to the state by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act shall be appropriated to the department of workforce development and shall be used by the department for the administration of the unemployment compensation program only. This appropriation shall not apply to any fiscal year after December 31, 2002.

* Item veto; see message at end of the Act

² Iowa seed capital corporation renamed ISCC liquidation corporation; 1998 Iowa Acts, chapter 1225, §27

Sec. 34. In lieu of the appropriation made in section 15.365, subsection 3, there is appropriated for the fiscal year beginning July 1, 2000, and ending June 30, 2001, \$100,000, or so much thereof as is necessary, from the general fund of the state to the department of economic development to pay refunds as provided under section 15.365.

Sec. 35. 2000 Iowa Acts, Senate File 2439,³ sections 1 and 9, if enacted, amending sections 15.342A and 422.16A, are repealed.

Sec. 36. EFFECTIVE DATE. Section 25 of this Act, relating to the nonreversion of technology initiatives account moneys, being deemed of immediate importance, takes effect upon enactment.

Approved May 18, 2000, with exceptions noted.

THOMAS J. VILSACK, *Governor*

Dear Mr. Secretary:

I hereby transmit Senate File 2428, an Act appropriating funds to the department of economic development, certain board of regents institutions, the department of workforce development, the public employment relations board, making related statutory changes, and providing an effective date.

Economic development touches all Iowans, and I am pleased that this bill seeks to provide additional opportunities throughout our state. It is notable that several initiatives the Lieutenant Governor and I developed to create more Iowans, younger Iowans, and better paid Iowans are contained within this bill. Our state will benefit from additional worker training opportunities at community colleges through the ACE program, assistance to businesses that provide new employment opportunities for Iowans with disabilities and minority population, additional immigration services, and worker safety. These are quality of life issues that better our state and make it more attractive to those looking for a place to live and work.

Senate File 2428 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve Section 1, subsection 2, paragraph a, unnumbered paragraph 3. This would require the department of economic development and the small business development centers to develop a written report on services provided by each and identify the distinct services to be provided by the department and the small business development centers and recommend actions that would eliminate any duplication of services. The department and the small business development centers undertook this exercise prior to the last legislative session. It would be more appropriate for them to continue working on resolving issues under consideration from that report than to re-start the process from the beginning.

I am unable to approve the designated portion of Section 12, subsection 5, unnumbered paragraph 2. This prevents the department of workforce development from allocating additional penalty and interest revenues prior to January 30, 2001. In the past, the department has had the flexibility to identify projects or target areas that would receive funding and report these expenditures to the Legislature. The language contained in this bill is unduly prescriptive, usurps normal executive branch functions, and could hamper administration of the fund.

³ Chapter 1196 herein

I am unable to approve Section 19 in its entirety. This would expand the acceptable uses of the physical infrastructure fund to include program capital costs for the accelerated career education program. Senate File 2453 already provides \$5.3 million for accelerated career education program capital projects; the \$2.5 million for the physical infrastructure assistance fund should be targeted toward community infrastructure improvement projects, such as, for example, child care facilities, that do not have an alternative funding source.

I am unable to approve Section 27 in its entirety. Subsection 1 would require the information technology services division of the department of general services to study the workforce investment one-stop program and submit a report by January 15, 2001. This issue has already received thorough study, and I believe that there are more productive uses for the division and the department's time. Subsection 2 would require the department of workforce development to submit a written report by August 10, 2000, for a plan for financing the state's system of workforce development centers after the administrative contribution surcharge is repealed. The short timeframe provided for the completion of the study will make it difficult for the department to adequately address these issues as well as those involved in meeting their statutory requirements under Iowa Code section 8.23.

For the above reasons, I hereby respectfully approve Senate File 2428 with the exceptions noted above.

Sincerely,
THOMAS J. VILSACK, Governor

CHAPTER 1231

APPROPRIATIONS — ADMINISTRATION AND REGULATION

H.F. 2545

AN ACT relating to and making appropriations to certain state departments, agencies, funds, and certain other entities, providing for regulatory authority, and other properly related matters.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. AUDITOR OF STATE. There is appropriated from the general fund of the state to the office of the auditor of state for the fiscal year beginning July 1, 2000, and ending June 30, 2001, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	1,397,432
.....	FTEs	114.26

The auditor of state may retain additional full-time equivalent positions as is reasonable and necessary to perform governmental subdivision audits which are reimbursable pursuant to section 11.20 or 11.21, to perform audits which are requested by and reimbursable from the federal government, and to perform work requested by and reimbursable from departments or agencies pursuant to section 11.5A or 11.5B. The auditor of state shall notify the department of management, the legislative fiscal committee, and the legislative fiscal bureau of the additional full-time equivalent positions retained.